

AGRICULTURAL SUPPLY & DEMAND ESTIMATES

Outlook '74



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January 17, 1974 #7

HIGHLIGHTS

Acreage expansion lifted 1973 crop production to a new record despite lower yields per acre for most crops. The 5 percent rise in output over the previous record high in 1972 included 11 percent more wheat, 9 percent more rice, 3 percent more total feed grains (1 percent more corn), 23 percent more soybeans, but 5 percent less cotton. These indications from the annual summary of crop output also included some adjustments from previous 1973 crop estimates. For example, estimates for corn and total feed grains and soybeans were all lowered. Thus, the supply-demand situations for these products have tightened a bit since our last report. For cotton, the production estimate was also reduced, but the export estimate has been reduced more, raising the prospective carryover. No changes were made in production estimates for wheat and rice, so we are carrying over the same supply-demand estimates for them from our last 1973 reports. We will take a new look at 1974/75 projections in our next report on January 23 following the January 22 planting intentions report.

FEED SITUATION TIGHTENS

The final estimate of 1973 feed grain production was 205 million tons, almost 2 million less than on December 1 and 5 million more than 1972. Accordingly, we have reduced the estimate of domestic use slightly and lowered the indicated carryover, both for feed grains in total and for corn. The corn crop estimate was lowered 35 million bushels to 5.6 billion, only 1 percent above 1972 output.

SOYBEAN OUTPUT FIGURE LOWERED; CRUSH ESTIMATE RAISED

Soybean production for 1973 totaled 1,567 million bushels compared with the November crop estimate of 1,575 million and last year's 1,271 million. Yields for the 1973 crop averaged 27.8 bushels per acre, the same as for 1972.

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The 1973/74 soybean crush estimate has been increased by 10 million bushels, reflecting the continued strong domestic demand for both soybean oil and meal. The estimated consumption of oil is increased by 100 million pounds and of meal by 200 thousand tons. Export estimates are unchanged.

Soybean carryover next summer is expected to total 240 million bushels, a decrease of 20 million from our last estimate but substantially above the 60 million bushels of last summer.

The 1974/75 soybean product projections are basically unchanged from those of December 13, 1973, except for the carryin, the carryout, and adjustments on oil in line with the 1973/74 estimates.

Upland cotton production for 1973 totaled 12.9 million bales, 0.1 million bales below November indications and 5 percent below 1972. The total supply is a little larger this season, reflecting larger beginning stocks. But estimated mill use of 7.4 million bales and exports of 5.7 million will slightly exceed the 1973 crop. Thus, the carryover next summer is expected to total about 3.8 million bales, down slightly from last summer.

COTTON
PRODUCTION
AND EXPORT
ESTIMATES
LOWERED

The export estimate is reduced by 0.3 million bales from earlier estimates because of early-season delays in the crop harvest and problems related to labor, fuel, and transportation.

WHEAT

Item	1972/73	1973/74 Based on		Projected 1974/75
	Preliminary	December Indications	January Indications	
<u>Area (Mill. Ac.)</u>				
Planted	20.1	7.4	7.4	0
Planted	54.9 ^{1/}	59.0	59.0	65.0 ^{2/}
Harvested	47.3	53.7	53.7	62.1
<u>Yld. For Harvested Acres (bu.)</u>				
	32.7	31.8	31.8	32.2
<u>(Million Bushels)</u>				
<u>Supply</u>				
Beginning Stocks	863	430	430	210
Production	1,545	1,711	1,711	2,000 ^{4/}
Imports	1	1	1	1
Total	2,409	2,142	2,142	2,211
<u>Disappearance</u>				
Domestic	705	757	757	700
Exports	1,100	1,175	1,175	950
Total	1,970	1,932	1,932	1,700
Ending Stocks	430 ^{2/}	210	210	500

- ^{1/} Includes 2.0 million acres planted and subsequently designated as voluntary set-aside.
^{2/} Excludes grain in transit, the volume of which was abnormally large as of the survey date.
^{3/} Includes 91.0 million acres of winter wheat seedlings reported December 1.
^{4/} Includes 1,523 million bushels of prospective winter wheat production reported December 1.

Prepared by: Interagency Commodity Estimates Committee for Wheat
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*The 1974/75 projections in these tables are rough approximations based on presently available data. They are mainly indications of change. Each of the numbers should be considered as representative of a fairly wide range rather than as a precise estimate.

RICE

Item	1971-72	1972-73	1973-74 Based on	
		Estimated	December Indications	January Indications
<u>Acres</u>				
Allotment (Million A.)	1.84	1.84	2.22	2.22
Planted (Million A.)	1.83	1.82	2.18	2.18
Harvested (Million A.)	1.82	1.82	2.17	2.17
Yield/harvested acre (lb.)	4,718	4,700	4,277	4,277
<u>Supply</u> <u>(Million Cwt.)</u>				
Beginning stocks, Aug. 1	18.6	11.4	5.1	5.1
Production	85.8	85.4	92.8	92.8
Imports	1.1	0.5	0.5	0.5
Total	105.5	97.3	98.4	98.4
<u>Disappearance</u>				
Domestic	35.4	35.8	38.3	38.3
Exports	56.9	54.0	55.4	55.4
Total	92.3	89.8	93.7	93.7
Ending stocks, July 31	11.4	5.1	4.7	4.7
Difference unaccounted	+1.8	+2.4	-	-

Prepared by the Interagency Commodity Estimates Committee for Rice:

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FEED GRAINS ^{1/}
(Includes Corn, Sorghum, Oats and Barley)

Item	1973/74 Based on			
	1972/73 Preliminary	Dec. Conditions	Annual Summary	Projected 1974/75*
<u>Acreage</u> (Mil. acres)				
Set Aside	36.6	9.1	9.1	-0-
Planted	115.1	121.4	121.4	126.0
Harvested	94.0	102.0	102.3	106.2
<u>Yield Per Harvested Acre</u> (Tons)	2.13	2.03	2.00	2.15
		<u>Million Short Tons</u>		
<u>Supply</u>				
Beginning Stocks	48.4	32.4	32.4	27.1
Production	199.9	207.0	205.0	228.4
Imports	0.4	0.4	0.4	0.4
Total	248.7	239.8	237.8	255.9
<u>Disappearance</u>				
Domestic	173.2	171.8	171.0	181.1
Exports	43.1	39.7	39.7	36.7
Total	216.3	211.5	210.7	217.8
<u>Ending Stocks</u>	32.4	28.3	27.1	38.1

CORN

Item (Mktg. year beginning Oct. 1)	1973/74 Based on			
	1972/73 Preliminary	Dec. Conditions	Annual Summary	Projected 1974/75*
<u>Acreage</u> (Mil. acres)				
Set Aside	24.4	5.7	5.7	-0-
Planted	67.0	71.3	71.6	75.5
Harvested	57.4	61.5	61.8	65.5
<u>Yield Per Harvested Acre</u> (Bu.)	97.1	92.4	91.4	97.0
		<u>Million bushels</u>		
<u>Supply</u>				
Beginning Stocks	1,126	707	707	606
Production	5,573	5,678	5,643	6,354
Imports	1	1	1	1
Total	6,700	6,386	6,351	6,961
<u>Disappearance</u>				
Domestic	4,735	4,635	4,620	5,000
Exports	1,258	1,125	1,125	1,050
Total	5,993	5,760	5,745	6,050
<u>Ending Stocks</u>	707	626	606	911

^{1/} Marketing year beginning October 1 for corn and sorghum, July 1 for barley and oats.

Prepared by Interagency Commodity Estimates Committee for Corn and Feed Grains:

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*The 1974/75 projections in these tables are rough approximations based on presently available data. They are mainly indications of change. Each of the numbers should be considered as representative of a fairly wide range rather than as a precise estimate.

UPLAND COTTON

Item	1973/74 based on --			
	1971/72	1972/73	December Indica- tions	January Indica- tions
<u>Acreage (Million Acres)</u>				
Planted	12.3	13.9	13.0	12.4
Harvested	11.4	12.9	12.3	11.9
Set-Aside	2.1	2.0	0	0
<u>Yield Per Harvested Acre (Pounds)</u>				
	438	507	509	519
<u>(Million 480-lb. Bales)</u>				
<u>Supply</u>				
August 1 Beginning Stocks ^{1/}	4.2	3.2	4.0	4.0
Production, Imports and City Crop	10.4	13.6	13.0	12.9
Total	14.6	16.8	17.0	16.9
<u>Disappearance</u>				
Mill Consumption	8.1	7.7	7.4	7.4
Exports	3.4	5.3	6.0	5.7
Total	11.5	13.0	13.4	13.1
<u>Ending Stocks</u>	^{1/} 3.2	^{1/} 4.0	3.6	3.8

^{1/} Based on Census Bureau data.

Prepared by: Interagency Cotton Estimates Committee
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SOYBEANS

Item	1972/73	1973/74 Based On		
		Dec. 1 : Indica- tions	Jan. 1 : Indica- tions	Projected 1974/75
<u>Acreeage</u>				
Planted (mil. A)	46.9	57.2	57.3	54.0
Harvested (mil. A)	45.7	56.2	56.4	53.0
<u>Yield Per Harvested Acre (Bu.)</u>				
	27.8	28.0	27.8	29.0
<u>Supply</u> (Million Bushels)				
Carryin, Sept. 1	72.0	60	60	240
Production	1,270.6	1,575	1,567	1,535
Total	1,342.6	1,635	1,627	1,775
<u>Disappearance</u>				
Crushings	722	765	775	825
Exports	480	525	525	575
Seed, Feed and Residual	81	85	87	85
Total	1,283	1,375	1,387	1,485
Carryover, Aug. 31	60	260	240	290

Membership of the Interagency Commodity Estimates Committee for Soybeans, Flaxseed, Cottonseed and Oils:

Malcolm Maclay, Chairman, ASCS
Stanley Mehr, FAS
Clarence Goldsborough, EMS
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SOYBEAN OIL

Item	1972/73	1973/74 Based On		
		Dec. 1 : Indica- tions ^{1/}	Jan. 1 : Indica- tions ^{1/}	Projected 1974/75
<u>Supply</u> (Million Pounds)				
Carryin, Oct. 1	785	516	516	716
Production	7,501	8,344	8,450	8,825
Total	8,286	8,860	8,966	9,541
<u>Disappearance</u>				
Domestic	6,702	7,050	7,150	7,450
Exports	1,068	1,100	1,100	1,100
Total	7,770	8,150	8,250	8,550
Carryover, Sept. 30	516	710	716	991

SOYBEAN MEAL

Item	1972/73	1973/74 Based On		
		Dec. 1 : Indica- tions ^{1/}	Jan. 1 : Indica- tions ^{1/}	Projected 1974/75
<u>Supply</u> (1,000 Short Tons)				
Carryin, Oct. 1	192	183	183	233
Production	16,709	18,500	18,725	19,550
Total	16,901	18,683	18,908	19,783
<u>Disappearance</u>				
Domestic	11,973	13,000	13,200	14,000
Exports	4,745	5,475	5,475	5,600
Total	16,718	18,475	18,675	19,600
Carryover, Sept. 30	183	208	233	183

^{1/} Based on an October 1 marketing year crush of 790 million bushels.